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February 2, 2005

A.J. Yates, AMS Administrator
Country of Origin Labeling Program
USDA - Agricultural Marketing Service
1400 Independence Ave. SW,
USDA STOP 0249
Washington DC 20250-0249

VIA FACSIMILE

Subject: Comments on Country of Origin Labeling Interim Final Rule LS-03-04

Dear Mr. Yates:

The State of Alaska stands in support of its earlier comments filed with the United States Department of Agriculture on February 27, 2004 in response to your call for comments on country of origin labeling. Two changes made by USDA in the interim final rule are particularly harmful to Alaskan fishermen and, the State believes, to American consumers.

First, the USDA, in the interim final rule, would remove canned, pouch and burger salmon products from the covered commodity list. Canned salmon is traditionally the most important product for the Alaska salmon industry, while pouch and burger products are the two cutting-edge products developed by the industry. Coverage of these products under COOL will provide the consumer with important information regarding the location of harvest and further processing. Without such coverage both our traditional base product and our state of the art products will be unprotected.

It has come to the attention of the State that the removal of the canned, pouch and burger products from the covered-products list was at the request of the tuna industry. Alaska alone has over 20,000 salmon fishermen and crew. Resources harvested by these men and women are critical to the economic strength of our rural, often Native coastal communities both as a fresh product, but also as they move through the processing sector and become a canned, pouch or burger product. Alaska does not want to hide where its product comes from. USDA could still satisfy the tuna industry without harming the Alaska salmon industry by simply excluding canned tuna from the covered-products list or by actively including all processed salmon products on the list. There does not have to

be a conflict between the industries, which will occur if the USDA insists on drawing the product definition line at canned fish.

Second, the USDA proposes to adopt United States Customs' definition of "substantial transformation". The Customs definition of substantial transformation has the potential for salmon products caught in Alaska, but processed overseas to be labeled as a product of the United States. The State supports implementing a labeling system that provides accurate and truthful information to the consumer; however, the State believes that the Customs standard may not provide for such a labeling system. The State fears that the substantial transformation definition used by Customs will adversely affect our processing sector, which tends to be located in our rural fishing communities.

The State of Alaska supports free trade and does not want to interfere with industries right to engage in economic activity where industry sees fit. However, the State has learned from its processors and members of the retail sector that consumers demonstrate a preference to buy seafood they believe is processed entirely in the US, as opposed to China. If this is the case, let's let the truth be evident on these labels and not hide behind standards set through Customs that will surely lead to further litigation, just as the definition of substantial transformation has lead hundreds of lawsuits in the customs arena.

Again, the State of Alaska appreciates the opportunity to provide these comments to the USDA, and hopes that the final rule accurately reflects the interests of Alaska's salmon fishermen and the American consumers. If you have any questions, please call either Glenn Haight, Fisheries Development Specialist with the Alaska Department of Commerce, Community & Economic Development at (907) 465-5464, or Charles Abernathy, Associate Director for Commerce, Alaska Governor's Washington, DC Office, 202-624-5858.

Sincerely,



Charles Abernathy, Esq.
Associate Director for Commerce
Alaska Governor's Washington, DC Office